

Council/Agency Meeting Held: _____	City Clerk's Signature _____
Deferred/Continued to: _____	
<input type="checkbox"/> Approved <input type="checkbox"/> Conditionally Approved <input type="checkbox"/> Denied	
Council Meeting Date: 10/1/2007	Department ID Number: ED 07-31

CITY OF HUNTINGTON BEACH REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

SUBMITTED BY: *Penelope Culbreth*
PENELOPE CULBRETH-GRAFT, DPA, CITY ADMINISTRATOR

PREPARED BY: STANLEY SMALEWITZ, DIRECTOR OF ECONOMIC DEVELOPMENT *10/1/07*

SUBJECT: Conduct Public Hearing and Adopt Resolution for the Huntington Beach Auto Dealers Business Improvement District Annual Assessment for Fiscal Year 2007/08

Statement of Issue, Funding Source, Recommended Action, Alternative Action(s), Analysis, Environmental Status, Attachment(s)
--

Statement of Issue: On September 4, 2007, City Council approved the Resolution of Intent to No. 2007-56 to levy an assessment for the Huntington Beach Auto Dealers Business Improvement District for fiscal year 2007/08 and authorized the City Clerk to schedule a public hearing. City Council will conduct a public hearing to consider a resolution to approve the annual assessment for the 2007/08 fiscal year.

Funding Source: Fund 701, Huntington Beach Auto Dealers Business Improvement District, current revenue estimates provided in the original budget will fund additional expenditures in account 70180101.

Recommended Action: Motion to:

1. Conduct the Public Hearing.
2. Adopt City Council Resolution No. 2007- 64, a Resolution of the City Council of the City of Huntington Beach approving an Annual Assessment for fiscal year 2007/08 for the Huntington Beach Auto Dealers Business Improvement District.
3. Appropriate an additional \$28,080 in the Auto Dealers BID account 70180101 to match the BID proposed budget.

Alternative Action(s):

1. Deny the request to approve the Resolution; or
2. Modify elements of the proposed Resolution, such as: the proposed assessments, activities or improvements to be funded.

D-3

REQUEST FOR CITY COUNCIL ACTION

MEETING DATE: 10/1/2007

DEPARTMENT ID NUMBER: ED 07-31

Analysis:

At the request of the Huntington Beach Auto Dealers Association, the City Council formed the Auto Dealers Business Improvement District (BID) in 1992 to fund the Dealers' obligation to operate and maintain the electronic reader board sign located just off the 405-freeway that was first constructed in 1992 and to fund other promotional activities that benefit the BID. The Auto Dealer BID Board of Directors approved the assessment formula at their July 10, 2007 meeting. For each auto dealer the assessment will include a \$630 loan payment and a \$725 assessment for promotional activities, for a total monthly cost of \$1,355 per member, less than the 2006 assessment of \$1,425.

In order for the City to levy the BID assessment each fiscal year, City Council must conduct a public hearing before approving a Resolution confirming the Annual Report that was filed with the City Council Resolution 2007-56, approved on September 4, 2007.

As required by the Streets and Highway Code §36500, *et seq*, copies of the Resolution of Intention that included the Annual Report and assessment formula was mailed to each business to be assessed and were also published in the Huntington Beach Independent. After the public hearing, City Council will consider adopting the Resolution. Upon approval of the Resolution, the 2007/08 assessment will become effective as of October 1, 2007. As the BID appropriation is currently \$192,400, City Council is requested to add an additional appropriation of \$28,080 in account 70180101 to increase the BID budget to \$220,480 as proposed in the BID's 2007/08 report.

Strategic Plan Goal: "Create an environment that promotes tourism to increase revenues to support community services and transform the city's economy into a destination economy."

Environmental Status: Not applicable.

Attachment(s):

City Clerk's Page Number	No.	Description
3	1.	Resolution No. 2007- <u>64</u> , approving an annual assessment for Fiscal Year 2007/08 to Fund Improvements within the Huntington Beach Auto Dealers Business Improvement District.
10	2.	Resolution No. 2007-56, approved on September 4, 2007, declaring the City's Intention to Levy an annual Assessment for Fiscal Year 2007/08 for the Huntington Beach Auto Dealers Business Improvement District
18	3.	Fiscal Impact Statement
20	4.	Power Point Presentation.

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ATTACHMENT #1

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RESOLUTION NO. 2007-64

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUNTINGTON
BEACH APPROVING AN ANNUAL ASSESSMENT WITHIN THE
HUNTINGTON BEACH AUTO DEALERS ASSOCIATION BUSINESS
IMPROVEMENT DISTRICT FOR FISCAL YEAR 2007-2008

WHEREAS, the Parking and Business Improvement Area Law of 1989, codified at Streets and Highways Code § 36500 et seq. (the "Act") authorizes cities to establish parking and business improvement areas for the purpose of imposing benefit assessments on businesses for certain purposes; and

The City Council has formed a business improvement area, the Huntington Beach Auto Dealers Association Improvement District (the "District"), by the passage of Ordinance 3175 on September 8, 1992. The time has come to continue the existence of the District for fiscal year 2007-2008 by levying assessments on those businesses that benefit from the improvements constructed; and

The District's Advisory Board has prepared and filed with the City Clerk a report for Fiscal Year 2006-2007, ("Annual Report") which sets forth the amount and basis of levying the assessment for Fiscal Year 2007-2008.

On September 4, 2007, the City Council adopted a resolution declaring its intention to levy an annual assessment for Fiscal Year 2007-2008 as proposed in the District's Annual Report.

NOW, THEREFORE, the City Council of the City of Huntington Beach does hereby resolve, determine and find as follows:

SECTION 1. The City Council hereby approves and adopts the Annual Report filed by the Advisory Board in the City Clerk's office attached hereto as **Exhibit A** and incorporated herein by this reference, which report includes a proposed budget for Fiscal Year 2007-2008 and a description of the improvements and activities to be provided for Fiscal Year 2007-2008.

SECTION 2. The City Council of the City of Huntington Beach hereby authorizes a levy and collection of assessments within the District for fiscal year 2007-2008 as proposed in the Annual Report. The levy is to apply to small businesses classified by the City of Huntington Beach License Code as Class A Retail Sales, (A1) Auto, New, Used, Parts, including new business of that classification located within the District as shown in **Exhibits B-1** and **B-2**, in the amount of seven hundred twenty-five Dollars (\$ 725) per month for fiscal year 2007-2008 plus an additional \$ 630 for repayment of electronic reader board sign, for a total of \$ 1,355 per month, as set forth on **Exhibit B-3**, which Exhibits are incorporated herein by reference.

SECTION 3. The assessments collected shall be used to cover costs to operate, upgrade and maintain an electronic reader board located within the City of Huntington Beach west of the intersection of Beach Boulevard and Center Avenue and other promotional and advertising activities.

SECTION 4. This resolution shall take effect on October 1, 2007.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the _____ day of _____, 200__.

Mayor

REVIEWED AND APPROVED:

Janet C. Culbertson
City Administrator

INITIATED AND APPROVED:

Kella J. J. J.
Director of Economic Development

APPROVED AS TO FORM:

James M. J.
City Attorney *mv-9-20-07*
8.20.07

HUNTINGTON BEACH AUTO DEALERS
BUSINESS IMPROVEMENT DISTRICT
REPORT/BUDGET
OCTOBER 1, 2007 TO SEPTEMBER 30, 2008

Exhibit A

REVENUE⁽¹⁾

Previous Years Surplus Revenue	\$ 42,577
Business Improvement Assessment	\$ 177,903
Total Revenues:	\$ 220,480

EXPENSES**Promotional**

Activities and events ⁽²⁾	\$ 56,000
Management Services	26,000
Misc/Dues and Fees	1,000
Office rent/Maintenance	14,477
Office Supplies	600

Subtotal Promotional: 98,077

Reader Board Sign Maintenance

Electricity	14,000
Insurance	7,300
Loan payment	83,093
Maintenance	11,400
Phone (data transmission)	850
Programing for sign	5,760

Subtotal Readerboard Sign: 122,403

Total Expenses: 220,480

Surplus Revenue 0

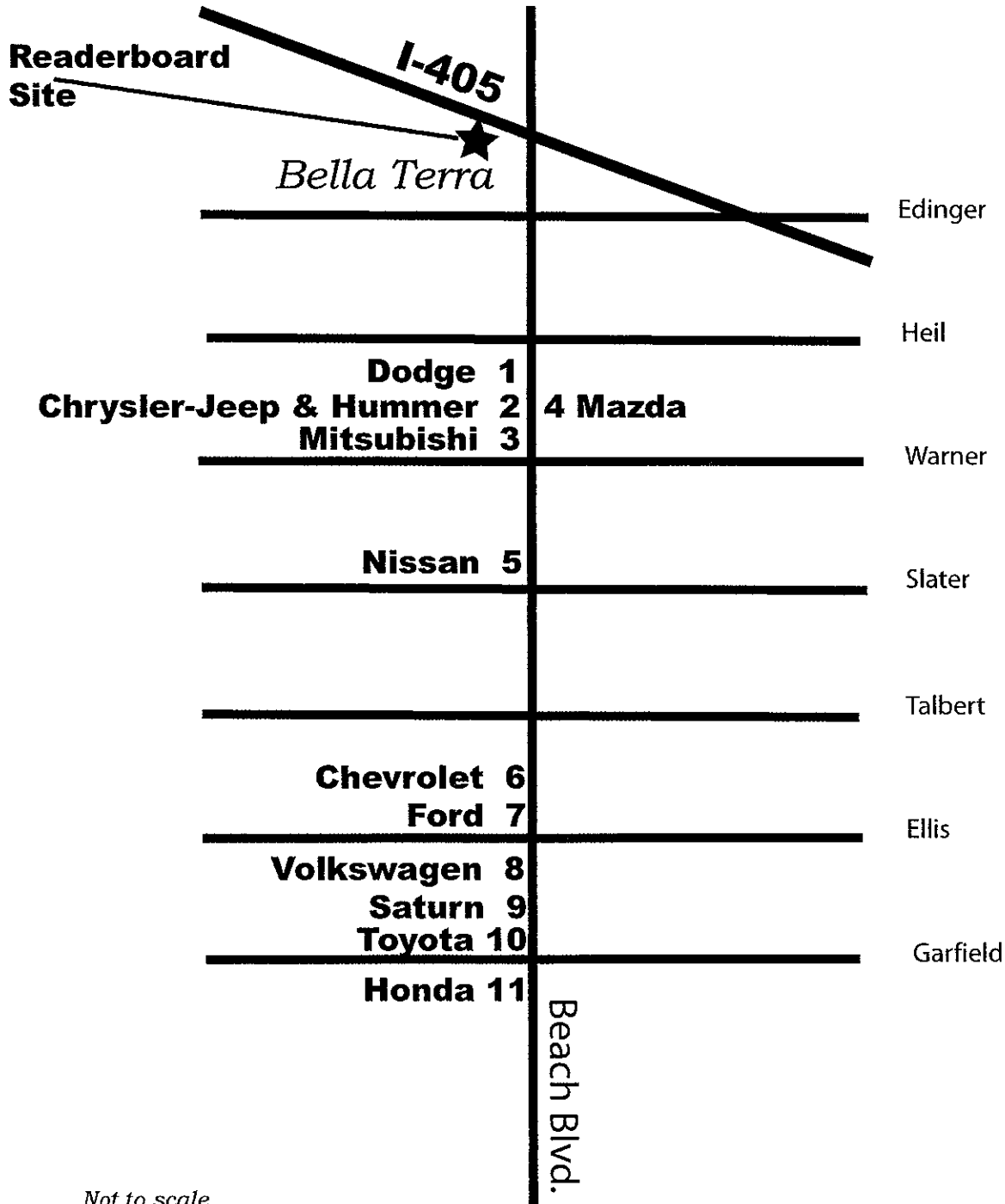
NOTES:

(1) Dealer assessments are based on \$630 per month for each of the eleven dealer members. The operating assessment income is \$725 per month per dealer. Net is \$725 less 1% administrative charge for a total of \$1,355 per dealer. Surplus Revenue represents excess aggregate loan assessment maintained by city finance dept.

(2) Automobile Raffle for major HB charities (\$25,000); HB Athletic Programs (\$3,500); 4TH of July Parade (\$5,000); School Scholastic Programs(\$4,000); School Grad Nights(\$2,500); Image advertising to buy at home (\$12,000); Plus Misc. promotional activities and events(\$4,000).

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Huntington Beach Boulevard of Cars



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Exhibit B-2

HUNTINGTON BEACH AUTO DEALER ASSOCIATION MEMBER LIST

**TO: GENERAL MANAGERS AND OWNERS* REVISED 8-14-07(ANY CHANGES CALL PAM
(714-847-6087)**

HB. A/DLRS ASSOC. 7755 CENTER #1100 HB, CA 92647 **714-372-7209

H.B. CHRYSLER-JEEP-

RICK EVANS-ROSS HELMAN

16701 BEACH BLVD. 92647

PHONE 841-3999 FAX 842-2903-841-9993

SATURN OF HUNTINGTON BEACH

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NORM REEVES HONDA

DAN KLAWITTER/SHAWN KEEBAUGH

19131 BEACH BLVD.

PHONE 842-5431 FAX 375-9783

HB MITSUBISHI

ABBAS AHMADI/CHUCK BIEN

16751 BEACH BLVD.

375-9493 F/842-1563(NOT MEMBER)

MC KENNA VW

18711 BEACH BLVD

MARIN DELGADO/DANNY MC KENNA

714-842-2000 FAX 714-843-8369

NORWALK STORE

BILL NELSON A/DLR DIRECTOR

714-536-8614

surfhh@socal.rr.com

CRAIG FELTMAN 924-442-0500

X507 & SONY 949-442-9082

FAX 949-442-2886

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HUNTINGTON BEACH AUTO DEALERS
BUSINESS IMPROVEMENT DISTRICT
REPORT/BUDGET
OCTOBER 1, 2007 TO SEPTEMBER 30, 2008

Exhibit B-3

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Reader Board Sign Maintenance

Electricity	14,000
Insurance	7,300
Loan payment	83,093
Maintenance	11,400
Phone (data transmission)	850
<u>Programing for sign</u>	<u>5,760</u>
Subtotal Readerboard Sign:	122,403
Total Expenses:	220,480

Surplus Revenue 0

NOTES:

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ATTACHMENT #2

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RESOLUTION NO. 2007-56

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HUNTINGTON BEACH DECLARING THE CITY'S INTENTION TO
LEVY AN ANNUAL ASSESSMENT WITHIN THE HUNTINGTON BEACH
AUTO DEALERS ASSOCIATION BUSINESS IMPROVEMENT DISTRICT FOR
FISCAL YEAR 2007-2008

WHEREAS, the Parking and Business Improvement Area Law of 1989, codified at Streets and Highways Code § 36500, et seq. (the "Act") authorizes cities to establish parking and business improvement areas for the purpose of imposing benefit assessments on businesses for certain purposes; and

The City Council has formed a business improvement area, known as the Huntington Beach Auto Dealers Association Business Improvement District (the "District"), by the passage of Ordinance 3175 on September 8, 1992. The time has come to continue the existence of the District for fiscal year 2007-2008 by levying assessments on those businesses that benefit from the improvements constructed; and

The District's Advisory Board has prepared and filed with the City Clerk a report for Fiscal Year 2006-2007, ("Annual Report") which sets forth the amount and basis of levying the assessment for Fiscal Year 2007-2008.

NOW, THEREFORE, the City Council of the City of Huntington Beach does hereby resolve, determine and find as follows:

SECTION 1. The City Council hereby approves the Annual Report filed by the Advisory Board in the City Clerk's office attached hereto as **Exhibit A** and incorporated herein by this reference, which includes a proposed budget for Fiscal Year 2007-2008 and a description of the improvements and activities to be provided for Fiscal Year 2007-2008.

SECTION 2. The City Council hereby declares its intent to levy and collect assessments within the District for Fiscal Year 2007-2008. The levy is to apply to small businesses classified by the City of Huntington Beach License Code as Class A Retail Sales, (A1) Auto, New, Used, Parts, including new business of that classification located within the District as shown in **Exhibit B-1** and listed in **Exhibit B-2**, in the amounts set forth on **Exhibit B-3**, which exhibits are incorporated herein by reference.

SECTION 3. The assessments collected will be used to cover costs to operate, upgrade, and maintain an electronic reader board located within the City of Huntington Beach west of the intersection of Beach Boulevard and Center Avenue and other promotional and advertising activities.

SECTION 4. A public hearing shall be held before the City Council on October 01, 2007, at 6:00 p.m., or as soon thereafter as this matter may be heard, in the Council Chambers of the City Hall, 2000 Main Street, Huntington Beach, California, at which time the Council will hear all interested persons for or against levying of the assessment, and the

furnishing of specified types of improvements or activities. Protests may be made orally or in writing; but, if written, shall be filed with the City Clerk at or before the time fixed for the hearing and contain sufficient documentation to verify business ownership and validate the particular protest. If written protests are received by the owners of businesses within the District, which will pay 50% or more of the total assessments to be levied, no further proceedings to levy the proposed assessment shall be taken for a period of one year from the date of the finding of a majority protest by the City Council. If the majority protest is only against the furnishing of a specified type or types of improvements or activity within the District, those types of improvements or activities shall be eliminated.

SECTION 5. The City Clerk is hereby directed to provide notice of the public hearing by causing the this resolution of intention to be published once in a newspaper of general circulation at least seven days before the public hearing.

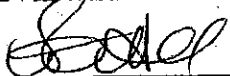
SECTION 6. Further information regarding the proposed business improvement district may be obtained at the Huntington Beach City Hall, 2000 Main Street, Huntington Beach, California 92648; telephone (714) 536-5542; or from the Huntington Beach Auto Dealers Association, Inc., P.O. Box 2700, Huntington Beach, CA 92648; telephone (949) 831-3443.

SECTION 7. The City Clerk shall mail a complete copy of this resolution of intention by first-class mail to each business owner in this area within seven days after the Council's adoption of this resolution.

SECTION 8. This resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the 4th day of September, 2007.


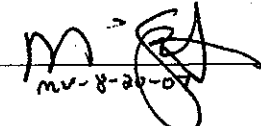
REVIEWED AND APPROVED:


for City Administrator

INITIATED AND APPROVED:


Director of Economic Development

APPROVED AS TO FORM:


City Attorney
8.20.07

mv-8-20-07

HUNTINGTON BEACH AUTO DEALERS
BUSINESS IMPROVEMENT DISTRICT
REPORT/BUDGET
OCTOBER 1, 2007 TO SEPTEMBER 30, 2008

Exhibit A

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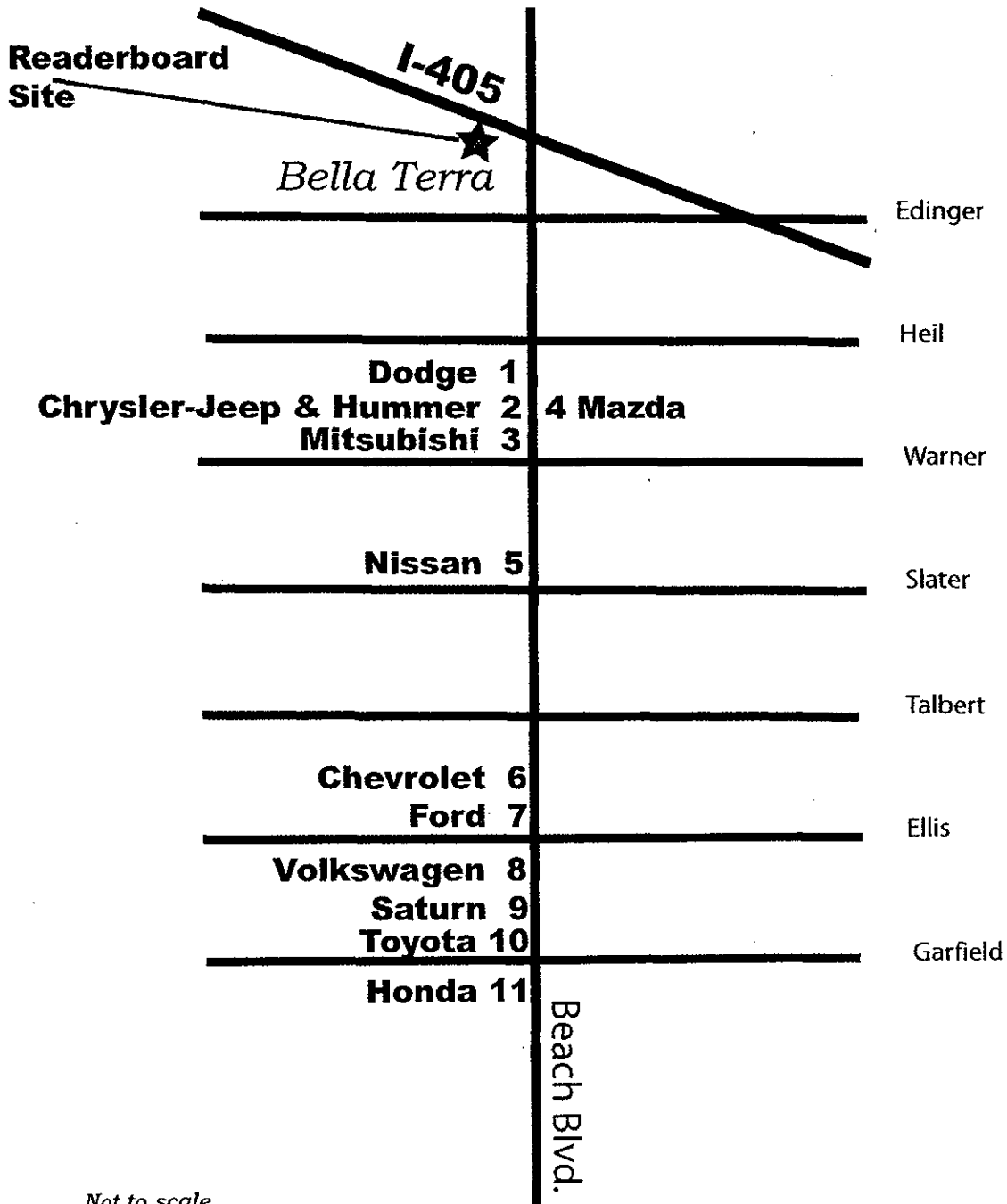
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******* BILL NELSON A/DLR DIRECTOR
714-536-8614
surfhh@socal.rr.com
CRAIG FELTMAN 924-442-0500
X507 & SONY 949-442-9082
FAX 949-442-2886**

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HUNTINGTON BEACH AUTO DEALERS
BUSINESS IMPROVEMENT DISTRICT
REPORT/BUDGET
OCTOBER 1, 2007 TO SEPTEMBER 30, 2008

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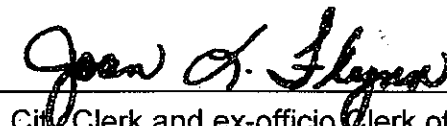
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STATE OF CALIFORNIA
COUNTY OF ORANGE) ss:
CITY OF HUNTINGTON BEACH)

I, JOAN L. FLYNN the duly elected, qualified City Clerk of the City of Huntington Beach, and ex-officio Clerk of the City Council of said City, do hereby certify that the whole number of members of the City Council of the City of Huntington Beach is seven; that the foregoing resolution was passed and adopted by the affirmative vote of at least a majority of all the members of said City Council at a **regular** meeting thereof held on the **4th day of September, 2007** by the following vote:

AYES: Bohr, Carchio, Cook, Coerper, Green, Hansen, Hardy
NOES: None
ABSENT: None
ABSTAIN: None

A handwritten signature in black ink, appearing to read "Joan L. Flynn", is written over a horizontal line.

City Clerk and ex-officio Clerk of the
City Council of the City of
Huntington Beach, California

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ATTACHMENT #3



**CITY OF HUNTINGTON BEACH
INTERDEPARTMENTAL COMMUNICATION
FINANCE DEPARTMENT**

TO: PENELOPE CULBRETH-GRAFT, DPA, CITY ADMINISTRATOR
FROM: DAN T. VILLELLA, CPA, FINANCE DIRECTOR
SUBJECT: **FIS 2007-08-3** Conduct Public Hearing and Adopt Resolution for the
Huntington Beach Auto Dealers Business Improvement District Annual
Assessment for Fiscal Year 2007/08
DATE: SEPTEMBER 14, 2007

As required by Resolution 4832, this Fiscal Impact Statement has been prepared for "Conduct Public Hearing and Adopt Resolution for the Huntington Beach Auto Dealers Business Improvement District Annual Assessment for Fiscal Year 2007/08"

If the City Council approves this action, there will be no effect on any fund balance since the new appropriations are funded by revenues not anticipated in the original budget.

A handwritten signature in cursive script, reading "Dan T. Villella".

Dan T. Villella
Finance Director

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ATTACHMENT #4

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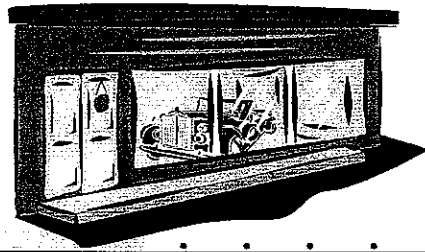
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Huntington Beach Auto Dealers

Business Improvement District (BID)

Annual Renewal for FY 2007-2008

October 1, 2007



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Background

- 1992 - HB Auto Dealers Requested BID be Formed to Operate and Maintain Electronic Reader Board Sign
- Redevelopment Agency Loaned \$474,000 to Auto Dealers for Electronic Reader Board Sign
- Sept. 4, 2007 - Intention to Levy Assessment for Huntington Beach Auto Dealers BID for 2007-2008 and Scheduled Public Hearing (Resolution No. 2007-56)

Participating Dealers

- H.B. Chrysler Jeep
- HB Mazda
- Toyota of Huntington Beach
- DeLillo Chevrolet
- Norm Reeves Honda
- McKenna VW
- Saturn of Huntington Beach
- HB Ford
- Douglas Nissan of HB
- Huntington Beach Dodge
- HB Mitsubishi



Current Status

- Copies of Resolution and assessment formula were sent to each affected business.
- FY 2007-2008 Budget of \$220,480.
- Proposed FY 2007-2008 Assessment includes \$725 for promotional activities and \$630 for the loan payment, totaling \$1,355/dealer/month.
- Proposed Budget and Assessment Approved by BID Board of Directors July 10, 2007.



Process

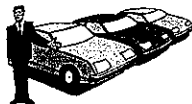
- State BID law requires City Council to conduct a protest hearing to consider all protests against the establishment of the BID.
- If written protests are received from affected business owners of 50 percent or more of assessments, no further proceedings to consider the Business Improvement District can be considered for one year.
- At the conclusion of the protest/public hearing, the City Council may reduce or modify the proposed assessment or types of activities to be funded with assessment revenues.
- The City Council has the option of not renewing the Business Improvement District.



Recommended Action

City Council Actions

- Conduct Public Hearing
- Consider Resolution Approving Annual Assessment for FY 2007-2008



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